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**BAUCUS LOOKS AHEAD TO EDUCATION TAX PACKAGE
AS SENATE PASSES HIGHER EDUCATION BILL**

*Finance Chairman will unveil legislation next month in ongoing effort
to improve access to college, quality of education for all American students*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) said today that he will build on Senate-passed higher education legislation with an education tax package to be considered by the Committee later this year. The Education Competitiveness Act that Baucus introduced in 2006 contained a number of proposals approved by the Senate today, including a much-needed increase in the Pell Grant and new grants to attract more young Americans into teaching. Baucus's 2007 education tax bill will streamline and expand college tuition tax credits, provide a tax credit for college savings, and boost the availability of Federal bonds for school construction and repair. Baucus expects to unveil the measure next month.

“Every American deserves the chance to go to college, and the Senate made that possible for millions more students by increasing the Pell Grant today,” said Baucus. **“I want to do even more to help students and their families prepare and pay for a good education. Education is the foundation of our country’s global competitiveness, and there’s more that Congress can do to help all Americans succeed.”**

Likely provisions of the Baucus education tax package include:

- Improvements to college tuition tax credits: Baucus intends to streamline and improve current law – which offers the Hope Scholarship and Lifetime Learning tuition tax credits and a Qualified Tuition Deduction – to increase the amount available to students and their families, and to make it easier to claim credit for tuition expenses.
- Encouraging college savings: Baucus intends to encourage contributions to 529 college savings plans with tax incentives for families.
- Creating better schools for kids: Baucus intends to expand the availability of Qualified Zone Academy Bonds for school repair and renovation, particularly in low-income and underserved communities.

Baucus also intends to extend a number of education tax provisions currently slated for expiration, including the deduction given to teachers who spend their own money for classroom supplies, and the deduction for interest on student loans.